

**CITY OF BISMARCK POLICE PENSION FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF OCTOBER 31, 2006**

	October-06				September-06				Current	Prior Year	3 Years	5 Years						
	Allocation		Month	Net ROR	Allocation		Quarter	Net ROR	Fiscal YTD	FY06	6/30/2006 Net	5 Years Ended 6/30/2006 Net						
Market Value	Actual	Policy	Market Value		Actual	Policy												
LARGE CAP DOMESTIC EQUITY																		
Structured Growth																		
LA Capital	791,473	3.7%	3.6%	4.52%	755,932	3.6%	3.6%	1.81%	6.41%	11.88%	N/A	N/A						
Total Structured Growth	791,473	3.7%	3.6%	4.52%	755,932	3.6%	3.6%	1.81%	6.41%	11.88%	12.99%	0.19%						
Russell 1000 Growth				3.52%				3.94%	7.59%	6.12%	8.34%	-0.77%						
Structured Value																		
LSV	795,398	3.7%	3.6%	3.49%	775,601	3.7%	3.6%	4.48%	8.12%	15.93%	21.06%	12.29%						
Russell 1000 Value				3.27%				6.22%	9.70%	12.10%	15.70%	6.89%						
Enhanced Russell 1000 Index																		
LA Capital	752,698	3.5%	3.4%	3.82%	723,744	3.4%	3.4%	3.51%	7.46%	12.49%	12.73%	3.75%						
Russell 1000				3.40%				5.06%	8.62%	9.08%	12.05%	3.12%						
Enhanced S&P 500 Index																		
Northern Trust	763,232	3.5%	3.4%	3.16%	738,574	3.5%	3.4%	6.56%	9.93%	9.33%	11.32%	2.81%						
Westridge	854,532	4.0%	3.6%	3.29%	825,821	3.9%	3.6%	5.68%	9.16%	8.80%	11.46%	2.80%						
Wells Capital	506,078	2.3%	2.4%	5.32%	472,200	2.2%	2.4%	1.21%	6.60%	N/A	N/A	N/A						
Franklin	517,380	2.4%	2.4%	4.03%	496,505	2.4%	2.4%		N/A	N/A	N/A	N/A						
Total Enhanced S&P 500 Index	2,641,222	9.8%	9.4%	3.78%	2,533,101	9.7%	9.4%	5.15%	9.12%	8.58%	11.40%	2.76%						
S&P 500				3.26%				5.67%	9.11%	8.63%	11.22%	2.49%						
S&P 500 Index																		
State Street	342,169	1.6%	1.7%	3.78%	329,147	1.6%	1.7%	5.79%	9.79%	9.62%	11.55%	2.70%						
S&P 500				3.26%				5.67%	9.11%	8.63%	11.22%	2.49%						
TOTAL LARGE CAP DOMESTIC EQUITY	5,322,961	24.7%	24.0%	3.85%	5,117,525	24.3%	24.0%	4.32%	8.33%	10.93%	13.21%	3.86%						
S&P 500				3.26%				5.67%	9.11%	8.63%	11.22%	2.49%						
SMALL CAP DOMESTIC EQUITY																		
Manager-of-Managers																		
SEI	1,918,758	8.9%	8.6%	5.47%	1,819,042	8.7%	8.6%	-0.01%	5.45%	13.56%	18.31%	8.00%						
Russell 2000 + 200bp				5.92%				0.94%	6.92%	16.86%	21.06%	10.71%						
Callan	742,777	3.4%	3.4%	5.20%	706,151	3.4%	3.4%	-0.91%	4.24%	N/A	N/A	N/A						
Russell 2000				5.76%				0.44%	6.22%									
TOTAL SMALL CAP DOMESTIC EQUITY	2,661,535	12.3%	12.0%	5.39%	2,525,193	12.0%	12.0%	-0.27%	5.11%	13.40%	18.25%	7.97%						
Russell 2000				5.76%				0.44%	6.22%	14.58%	18.70%	8.50%						
INTERNATIONAL EQUITY																		
Large Cap - Core																		
State Street	242,532	1.1%	1.1%	4.66%	231,646	1.1%	1.1%	3.40%	8.22%	27.85%	20.61%	6.87%						
MSCI EAFE (1)				3.89%				3.93%	7.97%	26.56%	20.76%	5.94%						
Large Cap - Active																		
Capital Guardian	724,060	3.4%	3.3%	3.83%	697,020	3.3%	3.3%	4.95%	8.97%	28.01%	21.32%	6.58%						
LSV	713,064	3.3%	3.3%	3.80%	686,376	3.3%	3.3%	5.93%	9.96%	27.77%	N/A	N/A						
Bank of Ireland	236,177	1.1%	1.1%	3.82%	227,343	1.1%	1.1%	3.02%	6.95%	22.00%	19.16%	N/A						
Total Large Cap - Active	1,673,301	7.8%	7.7%	3.81%	1,610,738	7.7%	7.7%	5.09%	9.10%	27.11%	21.84%	7.14%						
MSCI EAFE - 50% Hedged				3.38%				4.87%	8.42%	26.72%	22.56%	6.89%						
Small Cap - Active																		
Lazard	232,819	1.1%	1.1%	5.15%	221,265	1.1%	1.1%	1.38%	6.60%	25.04%	29.34%	N/A						
Wellington	226,543	1.0%	1.1%	2.23%	221,490	1.1%	1.1%	3.21%	5.52%	23.35%	25.26%	N/A						
Total Small Cap - Active	459,362	2.1%	2.2%	3.69%	442,756	2.1%	2.2%	2.29%	6.06%	24.18%	27.28%	N/A						
Citigroup Broad Market Index < \$2BN				3.40%				1.55%	5.00%	29.21%	32.38%	N/A						
TOTAL INTERNATIONAL EQUITY	2,375,195	11.0%	11.0%	3.88%	2,285,140	10.9%	11.0%	4.36%	8.41%	26.61%	22.77%	8.74%						
MSCI EAFE - 50% Hedged				3.38%				4.87%	8.42%	26.72%	22.56%	6.89%						
EMERGING MARKETS EQUITY																		
Core																		
JP Morgan	124,615	0.6%	0.5%	5.13%	118,468	0.6%	0.5%	7.76%	13.29%	N/A	N/A	N/A						
PanAgora	104,703	0.5%	0.0%	4.72%	99,947	0.5%	0.0%	4.96%	9.92%	N/A	N/A	N/A						
WestLB	106,302	0.5%	0.0%	5.03%	101,309	0.5%	0.0%	2.94%	8.12%	N/A	N/A	N/A						
UBS	188,718	0.9%	0.9%	4.48%	180,507	0.9%	0.9%	4.67%	9.36%	N/A	N/A	N/A						
Total Core	524,338	2.4%	1.9%	4.79%	500,232	2.4%	1.9%	5.09%	10.13%	35.59%	32.44%	18.61%						
MSCI Emerging Markets				4.75%				5.01%	10.00%	35.91%	22.39%	12.89%						
Small Cap																		
DFA	120,308	0.6%	0.6%	7.46%	111,874	0.5%	0.6%	8.53%	16.63%	N/A	N/A	N/A						
MSCI Emerging Markets				4.75%				5.01%	10.00%									
TOTAL EMERGING MARKETS EQUITY	644,646	3.0%	3.0%	5.28%	612,106	2.9%	3.0%	5.71%	11.28%	34.40%	32.05%	18.40%						
MSCI Emerging Markets				4.75%				5.01%	10.00%	35.91%	34.76%	21.54%						
DOMESTIC FIXED INCOME																		
Core Bond																		
Western Asset	647,297	3.0%	2.9%	0.83%	628,760	3.0%	2.9%	4.29%	5.16%	-1.15%	2.65%	5.96%						
Lehman Aggregate				0.66%				3.81%	4.49%	-0.81%	2.05%	4.97%						
Index																		
Bank of ND	1,194,644	5.5%	6.1%	0.54%	1,165,009	5.5%	6.1%	3.77%	4.32%	-1.37%	1.53%	5.24%						
Total Index	1,194,644	5.5%	6.1%	0.54%	1,165,009	5.5%	6.1%	3.77%	4.32%	-0.69%	2.10%	5.27%						
Lehman Gov/Credit				0.63%				3.91%	4.57%	-1.52%	1.60%	5.13%						
Convertibles																		
TCW (2)	1	0.0%	0.0%	N/A	546,421	2.6%	2.9%	2.85%	N/A	4.54%	6.78%	1.15%						
Calamos	571,018	2.6%	2.9%	2.55%	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A						
Total Convertibles	571,018	2.6%	2.9%	2.55%	546,421	2.6%	2.9%	2.85%	5.48%	4.54%	6.78%	1.15%						
Merrill Lynch All Convertibles (3)				2.59%				2.79%	5.44%	9.37%	8.01%	4.94%						

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	Allocation		Month		Allocation		Quarter		Fiscal YTD	FY06	Ended	Ended
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net ROR	Net ROR	6/30/2006	6/30/2006
<b>BBB Average Quality</b>												
Wells Capital	645,664	3.0%	2.9%	0.95%	626,999	3.0%	2.9%	4.58%	5.57%	-2.70%	3.36%	5.51%
Lehman BBB				0.89%				4.80%	5.73%	-2.37%	2.39%	6.10%
<b>Private Debt</b>												
Prudential	645,852	3.0%	2.9%	0.67%	628,881	3.0%	2.9%	3.84%	4.54%	-0.13%	N/A	N/A
Lehman Aggregate				0.66%				3.81%	4.49%	-0.81%	N/A	N/A
<b>Timberland</b>												
TIR - Teredo (4)	466,325	2.2%	2.2%	2.31%	447,425	2.1%	2.1%	-0.19%	2.12%	-1.44%	7.62%	N/A
TIR - Springbank	953,225	4.4%	4.4%	-0.22%	937,279	4.5%	4.5%	-0.06%	-0.27%	13.53%	N/A	N/A
<b>Total Timberland</b>	<b>1,419,549</b>	<b>6.6%</b>	<b>6.6%</b>	<b>0.60%</b>	<b>1,384,705</b>	<b>6.6%</b>	<b>6.6%</b>	<b>-0.10%</b>	<b>0.50%</b>	<b>9.43%</b>	<b>20.37%</b>	<b>N/A</b>
NCREIF Timberland Index				1.15%				3.49%	4.68%	19.69%	13.94%	N/A
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>5,124,025</b>	<b>23.7%</b>	<b>24.5%</b>	<b>0.88%</b>	<b>4,980,775</b>	<b>23.7%</b>	<b>24.5%</b>	<b>2.67%</b>	<b>3.58%</b>	<b>3.12%</b>	<b>8.91%</b>	<b>8.14%</b>
Lehman Aggregate				0.66%				3.81%	4.49%	-0.81%	2.05%	4.97%
<b>HIGH YIELD BONDS</b>												
<b>Core</b>												
Loomis Sayles	547,329	2.5%	2.5%	1.91%	537,171	2.6%	2.5%	4.85%	6.85%	4.74%	N/A	N/A
Sutter/Wells Capital	533,563	2.5%	2.5%	1.34%	528,770	2.5%	2.5%	2.84%	4.22%	4.70%	N/A	N/A
<b>Total Core</b>	<b>1,080,892</b>	<b>5.0%</b>	<b>5.0%</b>	<b>1.63%</b>	<b>1,065,941</b>	<b>5.1%</b>	<b>5.0%</b>	<b>3.84%</b>	<b>5.53%</b>	<b>4.72%</b>	<b>5.70%</b>	<b>3.38%</b>
LB High Yield 2% Issuer Constrained Index				1.36%				3.76%	5.18%	4.38%	N/A	N/A
<b>Mezzanine Debt</b>												
Goldman Sachs	7,636	0.0%	0.0%	0.00%	7,636	0.0%	0.0%	0.00%	0.00%	N/A	N/A	N/A
<b>TOTAL HIGH YIELD BONDS</b>	<b>1,088,528</b>	<b>5.0%</b>	<b>5.0%</b>	<b>1.61%</b>	<b>1,073,577</b>	<b>5.1%</b>	<b>5.0%</b>	<b>3.82%</b>	<b>5.50%</b>	<b>4.72%</b>	<b>8.34%</b>	<b>7.47%</b>
LB High Yield 2% Issuer Constrained Index				1.36%				3.76%	5.18%	4.38%	8.48%	8.60%
<b>INTERNATIONAL FIXED INCOME</b>												
<b>International Sovereign</b>												
UBS Global (Brinson)	955,593	4.4%	4.5%	1.06%	938,559	4.5%	4.5%	-0.15%	0.91%	0.13%	5.24%	9.99%
Citigroup Non-US Gov't Bond Index (5)				1.07%				0.89%	1.97%	-0.11%	5.01%	9.58%
<b>International Core</b>												
Brandywine	973,070	4.5%	4.5%	1.79%	961,963	4.6%	4.5%	1.93%	3.76%	3.89%	8.39%	N/A
Lehman Global Aggregate (ex-US)				1.16%				1.13%	2.30%	3.83%	5.69%	N/A
<b>TOTAL INTERNATIONAL FIXED INCOME</b>	<b>1,928,663</b>	<b>8.9%</b>	<b>9.0%</b>	<b>1.43%</b>	<b>1,900,521</b>	<b>9.0%</b>	<b>9.0%</b>	<b>0.89%</b>	<b>2.34%</b>	<b>2.01%</b>	<b>6.82%</b>	<b>10.91%</b>
Citigroup Non-US Gov't Bond Index (5)				1.07%				0.89%	1.97%	0.00%	5.05%	9.60%
<b>REAL ESTATE</b>												
INVESCO	852,305			0.00%	872,217			1.55%	1.55%	23.84%	N/A	N/A
J.P. Morgan Strategic & Special Funds	868,090			1.00%	881,730			4.36%	5.41%	21.05%	17.14%	12.52%
J.P. Morgan Alternative Property Fund	209,059			0.00%	193,163			-2.82%	-2.82%	N/A	N/A	N/A
<b>TOTAL REAL ESTATE</b>	<b>1,929,454</b>	<b>8.9%</b>	<b>8.5%</b>	<b>0.45%</b>	<b>1,947,109</b>	<b>9.3%</b>	<b>8.5%</b>	<b>2.40%</b>	<b>2.86%</b>	<b>22.09%</b>	<b>17.14%</b>	<b>12.52%</b>
NCREIF TOTAL INDEX				1.16%				3.51%	4.71%	18.22%	15.63%	12.19%
<b>ALTERNATIVE INVESTMENTS</b>												
Coral Partners V	19,458			0.00%	28,864			-0.31%	-0.31%	8.74%	-15.32%	-24.06%
Coral Partners V - Supplemental	2,368			0.00%	2,621			-0.70%	-0.70%	10.53%	10.33%	N/A
Coral Partners VI	40,377			0.00%	44,338			-0.08%	-0.08%	-6.22%	-10.14%	N/A
Brinson 1998 Partnership Fund	5,696			0.00%	6,075			4.03%	4.03%	16.52%	15.11%	1.97%
Brinson 1999 Partnership Fund	14,135			0.00%	15,077			8.99%	8.99%	14.27%	12.72%	-1.26%
Brinson 2000 Partnership Fund	33,020			0.00%	35,221			4.86%	4.86%	28.22%	17.90%	3.70%
Brinson 2001 Partnership Fund	23,513			0.00%	25,080			8.12%	8.12%	19.85%	9.95%	3.22%
Brinson 2002 Partnership Fund	13,969			0.00%	14,900			9.58%	9.58%	32.42%	13.22%	N/A
Brinson 2003 Partnership Fund	3,658			0.00%	3,902			3.05%	3.05%	25.48%	6.77%	N/A
Brinson 1999 Non-US Partnership Fund	3,868			0.00%	5,661			16.69%	16.69%	40.48%	30.98%	18.60%
Brinson 2000 Non-US Partnership Fund	9,289			0.00%	9,908			26.11%	26.11%	35.03%	21.65%	13.01%
Brinson 2001 Non-US Partnership Fund	11,687			0.00%	12,466			7.27%	7.27%	27.25%	17.46%	8.96%
Brinson 2002 Non-US Partnership Fund	13,990			0.00%	16,746			17.05%	17.05%	38.11%	22.66%	N/A
Brinson 2003 Non-US Partnership Fund	11,966			0.00%	10,836			21.45%	21.45%	31.08%	8.89%	N/A
Brinson 2004 Non-US Partnership Fund	4,666			0.00%	4,019			-0.77%	-0.77%	24.56%	N/A	N/A
Brinson BVCF IV	55,626			0.00%	53,545			9.17%	9.17%	31.35%	19.07%	0.41%
Adams Street Direct Co-investment Fund	5,776			0.00%	6,486			N/A	N/A	N/A	N/A	N/A
Matlin Patterson Global Opportunities	36,435			0.00%	38,863			-5.52%	-5.52%	-11.68%	26.48%	N/A
Matlin Patterson Global Opportunities II	80,186			0.00%	71,479			0.71%	0.71%	-0.85%	N/A	N/A
InvestAmerica	17,289			0.00%	18,441			30.21%	30.21%	0.00%	-9.20%	N/A
Hearthstone MSII	1,349			0.00%	446			0.00%	0.00%	-100.00%	-100.00%	-100.00%
Hearthstone MSIII	12,426			0.00%	1,042			38.24%	38.24%	59.61%	N/A	N/A
Quantum Resources	4,018			N/A	-			N/A	N/A	N/A	N/A	N/A
<b>TOTAL ALTERNATIVE INVESTMENTS (6)</b>	<b>424,764</b>	<b>2.0%</b>	<b>3.0%</b>	<b>0.00%</b>	<b>426,020</b>	<b>2.0%</b>	<b>3.0%</b>	<b>6.16%</b>	<b>6.16%</b>	<b>11.08%</b>	<b>11.81%</b>	<b>-2.11%</b>
<b>CASH EQUIVALENTS</b>												
<b>Northern Trust STIF/STEP</b>	<b>81,819</b>	<b>0.4%</b>	<b>0.0%</b>	<b>0.45%</b>	<b>152,170</b>	<b>0.7%</b>	<b>0.0%</b>	<b>1.34%</b>	<b>1.80%</b>	<b>4.31%</b>	<b>2.64%</b>	<b>2.41%</b>
90 Day T-Bill				0.38%				1.33%	1.71%	4.00%	2.37%	2.25%
<b>TOTAL FUND</b>	<b>21,581,590</b>	<b>100.0%</b>	<b>100.0%</b>	<b>2.63%</b>	<b>21,020,137</b>	<b>100.0%</b>	<b>100.0%</b>	<b>2.95%</b>	<b>5.65%</b>	<b>10.18%</b>	<b>13.18%</b>	<b>7.21%</b>
<b>POLICY TARGET BENCHMARK</b>				<b>2.31%</b>				<b>3.48%</b>	<b>5.68%</b>	<b>7.37%</b>	<b>9.97%</b>	<b>5.73%</b>

**NOTE: Monthly returns and market values are preliminary and subject to change.**

(1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.

(2) TCW was terminated on September 22, 2006. The portfolio was transferred to Calamos on October 5, 2006.

(3) Prior to January 1, 2005, the benchmark was the First Boston Convertible Index.

(4) Prior to June 1, 2006, the Tored properties were under the management of RMK.

(5) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.

(6) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual costs are known.